

# case study



## **Honeywell Helps Tesco Lotus Thailand Enhance Mobile Retail Productivity and Customer Satisfaction**

As consumer enthusiasm for the smart phone and app trend is constantly increasing, along with rising industry competition and regulations, the Asian retail sector is feeling the pressure to advance their technology. Large retailers, such as Tesco Lotus Thailand, are turning their attention to deploying technologies that support the development of mobile retail app platforms featuring mobile coupons, e-loyalty cards, e-wallet and other functions that improve productivity and customer service. Tesco Lotus has launched their new mobile retail system with the support of Honeywell Xenon 1900g 2D bar code scanner.

## The Situation

Tesco Lotus is a leading retailer in Thailand, which over an 18 year period of development has grown to more than 1,500 stores and 45,000 employees across Thailand.

Tesco Lotus is part of Tesco's international operations, which are headquartered out of Britain and are one of the world's leading retail businesses. Overall, Tesco has 65,000 stores and 500,000 employees in 13 countries across the globe. In Thailand, Tesco Lotus has five different types of retail stores including Plus Mall, Hypermarket, Tesco Market and Express.

Tesco Lotus has been using Honeywell bar code scanners throughout all their stores since 2008, including the Voyager 9590 held-held scanner, Solaris 7820 presentation scanner, as well as the Stratos 2400 bi-optic scanner.

During this time their customers have become more technologically savvy, particularly through the use of modern smart phones, and Tesco Lotus has also faced industry challenges including increased competition and regulations.

## The Solution

As a retailer committed to meeting the evolving needs of their customers and wider industry trends, Tesco Lotus recently turned its attention to upgrading to advanced technology. The integration of the Honeywell Xenon 1900g enabled interaction with customers via their smart phones. At the heart of the upgrade was Tesco Lotus' development and launch of

a mobile retail system featuring a smart phone-ready app, as well as transitioning the POS system from 1D to 2D scanning capable of reading bar codes from smart phone screens.

The new mobile retail system offers a series of benefits to Tesco Lotus customers, including quick and easy access to mobile coupons, an e-loyalty card and linked credit cards.

Mobile coupon promotions can now be distributed very quickly and be more readily retrieved by customers via Tesco Lotus app messages. Using the app, customers simply download e-coupons to their smart phone and are able to redeem these when they check-out in store.

Additionally, rather than waiting to be sent an actual loyalty card, customers can now receive an e-loyalty card (in the form of a bar code on their smart phone) when they register as a Tesco Lotus member. Customers can present their phone with the bar code showing for easy scanning when checking out.

If desired, customers can also elect to have their credit card account linked to their e-loyalty card in order to earn member points and make payments all at once via the 'e-wallet' platform when shopping in store.

This goes beyond the primary purpose of giving customers points for their purchases and enables Tesco Lotus to increase customer engagement by using the wealth of information about individual shopper's unique buying patterns to tailor and target promotions to individuals

or sub-groups of customers.

"Our objectives in moving to a mobile retail system are to improve productivity and customer experience through the introduction of a new smart phone app which allows customers to have mobile coupons, e-loyalty cards, e-wallet and more at their fingertips at all times," explained Mr. Saroj Prombut, IT Manager of Tesco Lotus Store and Retail Service.

Tesco Lotus' new mobile system heavily relies on electronic bar code scanning of e-coupons and e-loyalty cards. As a result, a mandatory factor when choosing their new scanning technology was that it had to be able to read electronic bar codes quickly and accurately off smart phone screens despite any reflection and contrast issues - a capability not offered by all competitor scanning solutions.

"Check-out efficiency is central to shaping a customer's shopping experience, so Tesco Lotus was very thorough in researching the selection of the right bar code scanner," said Mr. Saroj Prombut. "Following internal lab testing over a one month period and on-site store testing, Honeywell Xenon 1900g stood out due to its aggressive scan performance reading a range of mobile barcodes."

Tesco Lotus' research found that using no particular orientation at all, customers can present their smart phone in front of the scanner, with a clear beep indicating the barcode is instantly read and the transaction processed. They also conducted a customer survey during

in-store testing, which revealed a positive 85 percent customer satisfaction.

The scanner's high performance was further proved through better reading of some hard-to-read grocery product barcodes, such as those on plastic bags or cans.

With these clear advantages, Tesco Lotus quickly decided to integrate the scanning solution with their upgraded POS system across 1,200 stores in Thailand.

### The Benefits

The new mobile retail system launch supported by the Honeywell Xenon 1900g scanner proved to be a success for Tesco Lotus. The improvements are not only seen in higher checkout productivity, more effective marketing promotions, but also greater customer satisfaction. The internal statistics of Tesco Lotus shows that there is a significant sales increase since the new system implementation.

"We are very satisfied by the visible results brought by the Honeywell Xenon 1900g." commented Mr. Saroj Prombut, IT Manager of Tesco Lotus Store and Retail Service. "Tesco Lotus is



dedicated to develop new innovations to be the best in our business and for our customers. Now our promise becomes true by the successful implementation of our mobile retail system supported by Honeywell Xenon 1900. We have been a loyalty customer of Honeywell since 2008. Their superior product performance has really turned our "point-of-sale" into "point-of-satisfaction".

Mr. Saroj Prombut also mentioned that Tesco Lotus is now in the process of developing a new "retail service" system which will enable customers to pay their utility bills at Tesco Lotus stores by scanning an electronic QR bar code from their smart phones as well. "In Thailand, 70% of the bill payment takes places in convenience stores. By introducing this new electronic bill payment system, Tesco Lotus wishes to bring greater

conveniences to our customers since they can make bill payment with grocery purchase at one stop."

"Honeywell Scanning & Mobility is pleased to provide a perfect product solution to Tesco Lotus with our local partner Planet T&S support", commented Mr. Tawan Jandang, Thailand Country Sales Manager of Honeywell Scanning & Mobility "Honeywell a leader in the mobile retail industry with our class- leading 2D bar code scanning technology, which is now proved by the sales win of Tesco Lotus again. We are committed to continuous renovation and will keep working together with our local partners to offer the best product and services to our customers."

### For more information:

[www.honeywellaidc.com](http://www.honeywellaidc.com)

### Honeywell Scanning & Mobility

Honeywell Building  
17 Changi Business Park Central 1  
Singapore 786073  
(65) 6818-5378  
[www.honeywellaidc.com](http://www.honeywellaidc.com)